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April 28, 2010

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David Hill, Chair
and Members of the
City of Rockville Planning Commission
111 Maryland Avenue
Rockville, Maryland 20850

Re: King Farm Associates, LLC – Zoning Text Amendment TXT2010-00227 to Toll the Implementation Period for Development Projects (the “ZTA”) - April 28, 2010 Planning Commission Meeting

Dear Chairman Hill and Members of the Planning Commission:

This firm represents King Farm Associates, LLC (“KFA”), the owners and developers of the “F-5” and “F-6” office sites at King Farm, which are approved under separate Detailed Applications for commercial office development. KFA’s development of the F-5 and F-6 sites has been significantly delayed by the unprecedented downturn in the commercial office market, which has prevented projects from moving forward to construction within the current implementation timeframes established under Rockville’s Zoning Ordinance. The referenced ZTA, which is scheduled for review and recommendation the Mayor and Council at the Planning Commission’s April 28th meeting, would toll the running of the implementation period for projects with Detailed Application approvals valid as of June 30, 2010, which includes the F-5 and F-6 sites and, thereby, allow quality projects that embody the City’s planning and economic development objectives to remain viable as the economic recovery begins. Therefore, as more fully discussed below, KFA strongly supports the ZTA and requests the Planning Commission recommend the ZTA for approval by the Mayor and Council.

By way of background, Detailed Application CPD2005-002AK for the F-5 site was approved by the Planning Commission by letter dated July 5, 2005 for a 325,565 square foot (“SF”) office building and associated parking structure and amenities (the “F-5 Detailed Application”). Thereafter, the F-5 Detailed Application was extended to July 2009.¹ Detailed Application

¹ Prior to the expiration of the implementation period of the F-5 Detailed Application, the implementation period was tolled until June 30, 2010 by State legislation passed in 2009 in response to the economic downturn. This legislation also tolled the running of the implementation period for the F-6 Detailed Application.

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CPD2007-002AM for the F-6 site was approved by letter dated December 3, 2007 for a 267,717 SF office building and associated parking structure and amenities and was recently extended by the Planning Commission to December 3, 2010 (the "F-6 Detailed Application").

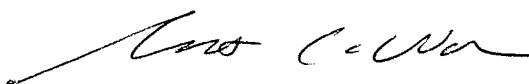
KFA believes the F-5 and F-6 sites are well situated to attract significant employers seeking large blocks of office space in the I-270 corridor and has actively marketed both buildings to the type of high credit tenants that can commit to leasing significant blocks of office space, which is a prerequisite for the initiation of construction of the F-5 and F-6 buildings. However, as noted above, KFA has experienced unavoidable delays in commencing construction as a result of the steep downturn in the office market in the Washington, D.C. area, as well as the particular complexities of evaluating and responding to two requests for proposals ("RFPs") for office space from federal government agencies.

In this regard, most recently, KFA responded to an RFP for the Department of Health and Human Services ("HHS"), which would utilize both the F-5 and F-6 buildings. This project, if developed at King Farm, would locate a significant employment center with approximately 4,000 high-quality jobs in the City. Although KFA initially responded to the HHS RFP in September of 2008, in 2009 evaluation of responses to the RFP was suspended by HHS to allow further evaluation of space needs and federal budget forecasts and HHS' existing lease for space in the County was extended for three years. However, in March of 2010, the RFP evaluation process was restarted and HHS expects to make a lease award by October of 2010 for occupancy beginning in January 2014. This occupancy date would require commencement of construction immediately upon award of the lease projected for October 2010. Therefore, given the compressed construction schedule to meet building delivery and occupancy requirements, the ability to maintain the validity period for the F-5 and F-6 Detailed Applications, as provided under the ZTA, is of critical importance for KFA to remain in a position to meet the requirements of the HHS RFP.

For these reasons, we urge the Planning Commission recommend to the Mayor and Council that the ZTA be approved as introduced. If you have any questions regarding this matter, or would like any additional information, please feel free to contact us. Thank you.

Very truly yours,

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cc: Mr. James Wasilak
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